1987 - 1988 ANNUAL REPORT

ALBERTA AGRICULTURAL RESEARCH INSTITUTE

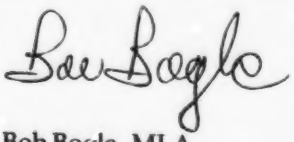
Alberta

90-02940/

To the Honourable Shirley McClellan
Associate Minister of Agriculture

In accordance with the requirements of the Alberta Agricultural Research Institute Act, I have the honour to present to you the Annual Report of the Alberta Agricultural Research Institute for the operating year 1987-88.

Respectfully submitted,



Bob Bogle, MLA
Chairman
Board of Directors

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CHAIRMAN'S REPORT

When the Alberta Agricultural Research Institute was created and officially inaugurated in the summer of 1987, it was an important development for Alberta's agricultural research community. Although Alberta had consistently supported agricultural research endeavours since the 1960s, the province lacked a body or agency to coordinate efficient use of our agricultural research resources. The Alberta Agricultural Research Institute was created to answer that need.

The legal process of creating the Institute started when the Honourable Peter Elzinga introduced the Alberta Agricultural Research Institute Act in the Legislature's 1987 Spring Session. This enabling legislation was soon approved and was proclaimed into law on July 15, 1987.

At that time two things occurred: the Institute was legally created and the enabling legislation for the Alberta Agricultural Research Trust (AART) was repealed. As a result, the Institute assumed all of the property and liability of the AART, including responsibility for any research underway. For that reason, the Institute's first annual report contains two auditors' reports, one for the Institute, covering the period July 15, 1987 through March 31, 1988, and one for the AART, for the period April 1, 1987 to July 15, 1987.

The first developments affecting the Institute were Mr. Elzinga's appointments of its Chairman and its Board of Directors in July and August of 1987, respectively. (As the Institute is a Crown corporation, it requires a board of directors.)

During the Institute's initial operations, most activities were centred on the Board. The first priority was to familiarize Board members with agricultural research activities in Alberta. During the fall of 1987 and the winter of 1988, the Board reviewed the research activities and capabilities of a number of organizations and met first hand with researchers and research administrators. Where necessary, the Board toured research facilities in order to assess Alberta's agricultural research needs and capabilities.

Through this process of familiarizing Board members with agricultural research in Alberta, the members were also introduced to the need for better coordination of agricultural research. This is one of the Institute's most important concerns. In the future, the coordination of agricultural research efforts in Alberta will likely prove to be one of the Institute's most complex and difficult tasks.

As a consequence of all this, by the end of March 1988, the Board of Directors had begun to assess priorities for agricultural research, to identify the needs and concerns which exist within the agricultural research community, and to evaluate the opportunities to better coordinate and promote research activities undertaken by the various agencies. Through its reviews and tours, by approving two new research funding programs, and by planning several others, the Board positioned itself to become a significant part of the province's agricultural research community.

At the same time, while gathering information about Alberta's agricultural research community, the Board started developing the policies and guidelines which would delineate the scope of future Institute activities.

In particular, the Board defined five priority areas where the Institute will focus on expanding research. Technological advances in these areas are necessary if Alberta's agricultural and food industries are to remain internationally competitive, and to retain their position as major contributors to the province's economy.

The priorities are:

- production efficiency;
- agricultural processing;
- marketing;
- resource conservation;
- diversification.

As it does for the Heritage Fund-supported Farming for the Future Program, Alberta Agriculture's Research Division provided everyday administrative services for the Institute. The Division's experience with the Farming for the Future Program helped to reduce the amount of time that would have been needed to implement many administrative procedures. As well, the familiarity of many Board members with the Farming for the Future program helped the Board to become more quickly familiar with the diverse and complicated field of agricultural research.

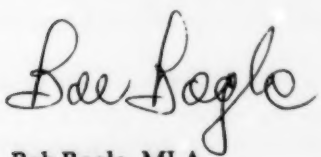
Overall, in 1987-88, the AARI made good progress in its first nine months of operation. A number of complex tasks were started, guidelines for operating the Institute were defined, and several key programs were developed. All these activities will eventually help the Institute to meet its major objectives: to encourage cooperation in the area of agricultural research and to coordinate agricultural research efforts among all participants in the agricultural research community.

Its two proposed funding programs – Research Coordination and Matching Grants – should certainly support this effort. (These proposals are discussed separately in this report.) A third assistance program, the new National Agricultural Biotechnology Initiative, could also provide significant assistance to the province's private sector. A requirement of this federal program was that there be provincial matching dollars. Planning was started to take advantage of this biotechnology initiative in the interest of Alberta's private sector.

For their support and encouragement during the Institute's first year, I wish to personally thank our Board members, some of whom travelled great distances to be with us and all of whom contributed greatly to the Board and its committees.

On behalf of the Institute's Board of Directors, I would like to acknowledge and express great appreciation for the efforts of the Honourable Peter Elzinga. Mr. Elzinga ensured the Institute's enabling legislation was passed and he gave us excellent support during our first year of operation.

Finally, I also wish to acknowledge the staff of Alberta Agriculture's Research Division, in particular Dr. Ralph Christian, Dr. Yilma Teklemariam and Mrs. Emily Samoil, whose assistance has been invaluable to the Institute.



Bob Bogle, MLA
Chairman
Board of Directors

EXECUTIVE DIRECTOR'S REPORT

In 1987-88, I was very pleased to serve as Executive Director of the Alberta Agricultural Research Institute. My role and that of the staff of Alberta Agriculture's Research Division was to help the Institute's Board of Directors fulfill the purposes and responsibilities given them under the Institute's enabling legislation.

In 1987-88, my activities were primarily involved with assisting the Board to understand the size and scope of agricultural research and to begin to establish the programs and policies which would allow it to fulfill its mandate.

For instance, at the November 1987 meeting of the Board, we proposed a long-term strategy for the Institute. Using this background, the Board established an initial strategic plan which identified five priority areas where there was a need for further research.

Of course, there were instances when other types of efforts were used to support the Board. Many fell to the staff of the Research Division which provided the day-to-day administrative services needed by the Institute. These efforts included preparing various background documents for the use of the Board, and developing the details for several assistance programs according to the broad guidelines developed by the Board. In 1988-89, Research Division staff will administer the day-to-day operation of these programs and ensure that applications, grants and other documents are properly processed.

During 1987-88, I was pleased to have had several opportunities to discuss the Institute and its goals with various groups concerned with the future of agriculture and agricultural research. Generally, I found people to be curious about how the Institute would operate. Many of the questions posed were, in fact, questions already under review by the Institute's Board.

Overall, the Institute has made considerable progress during its first year of operation. For this, credit goes to the Institute's chairman, Mr. Bob Bogle, and an enthusiastic Board of Directors. With their guidance and initiative I have no doubt that the Institute will effectively meet its challenging range of objectives.

R.G. Christian, DVM
Executive Director

ORGANIZATION

The Alberta Agricultural Research Institute is a provincial Crown corporation established under the province's Agricultural Research Institute Act, 1987. The Institute reports to the Legislative Assembly through the Minister of Agriculture. It is governed by a Board of Directors appointed by the Minister.

The Institute's day-to-day administration is provided by Alberta Agriculture's Research Division. The Board has appointed the Division's Executive Director to act as Executive Director of the Institute.

The Board is also supported by five research committees, organized according to the Institute's five research priorities: production efficiency; agricultural processing; marketing; resource conservation; and diversification. Each committee is headed by a member of the Board of Directors.

Committee members can include additional members of the Board of Directors, recognized experts in the field, one staff member of Alberta Agriculture and a number of active producers and/or processors. All committee members must be appointed by the Chairman of the Institute's Board and affirmed by the full Board.

The committees are expected to advise the Board on the operation of the Institute. Their designated functions include reviewing research proposals, examining research needs and opportunities, and promoting research coordination as well as the transfer of new technology.

The Board of Directors

The Institute is governed by a 21-member Board of Directors appointed by the Minister of Agriculture. Collectively, the Board represents a number of different groups and agencies who perform or depend upon agricultural research.

A number of the directors' positions are assigned to specific institutions in the Institute's enabling legislation. (A copy of this Act is reproduced later in this report.) These institutions include: Alberta Agriculture; the Faculty of Agriculture and Forestry at the University of Alberta; Agriculture Canada; the University of Calgary; the Western College of Veterinary Medicine; Alberta Advanced Education; either Alberta Technology, Research and Telecommunications or the Alberta Research Council; and the Legislative Assembly of Alberta. As well, the majority of the Board must be farmers or representatives of industries related to agriculture.

The Board's membership structure is also designed to assist the promotion and coordination of agricultural research among the various groups of research performers and users. For instance, having leaders of the

province's major agricultural research organizations on the Board enhances agricultural research coordination among these groups. Board members involved in farming or agri-business also provide input from the practical and/or commercial side of agriculture.

During 1987-88, the Board specifically examined research activities being conducted by Agriculture Canada, the University of Alberta and Alberta Agriculture. The Board of Directors toured Agriculture Canada's Research Station in Lethbridge, the University of Alberta's research facilities, Alberta Agriculture's Food Processing Development Center in Leduc, and the facilities of the Alberta Research Council in Edmonton. The tours and the discussions held with researchers from various institutions provided background information required by Board members to assess the existing level of research coordination and to identify areas needing improvement.

Administrative Support

Alberta Agriculture's Research Division provides day-to-day administrative services for the Institute. Division staff also prepare background information and policy and decision documents as required by the Board.

FUNDING PROGRAMS

In 1987-88, the Institute's Board of Directors considered several proposals for new funding programs to address specific needs and concerns within the agricultural research community. Two proposals were approved to begin operation in 1988-89. The first proposal is the Research Coordination Program, which supports the Institute's wider mandate to promote research coordination in Alberta. The second proposal is the Matching Grants Program, which is intended to generate greater support for agricultural research from the private sector. A third proposal under consideration would allow the Institute to manage Alberta's participation in the National Agricultural Biotechnology Initiative.

Research Coordination Program

In support of its prime objective of advancing research coordination in Alberta, the Institute carried out several activities to help it achieve this goal.

The composition of the Institute's Board of Directors encouraged and facilitated the sharing of information on policies and programs among the major performers of agricultural research in the province. These performers included federal, provincial, academic and private organizations. In addition, producer members representing various segments of the farm community brought the perspectives of research users to the Board. This enhanced the exchange of information among users and performers of agricultural research. Thus, the basic structure of the Board promoted coordination among the relevant agencies.

To provide active encouragement for agricultural scientists to coordinate their work and to maximize the exchange of research information, the Board established the Research Coordination Program. Under this program, financial assistance is given to agricultural researchers in order to promote coordination and communication among researchers in the same field who work in different organizations and different disciplines.

Research Coordination grants are intended to assist with those extra costs of travel and direct communication which would encourage closer working relationships among researchers. Approved funds can be used for travel to attend annual research review and planning meetings, and inter-laboratory travel to enable researchers to occasionally work in one another's facilities. Funds can also be used for electronic communication and communications equipment to transfer research data and results to cooperating researchers. It's expected that researchers who receive these grants and make use of this support will 'spread the news' among colleagues within their own immediate work areas.

Research Coordination grants, however, will not be awarded to replace existing funds budgeted for travel or distributing information. They will also not be applicable to research costs, such as manpower. Beyond this, innovative ideas and approaches to the whole area of research coordination are encouraged.

The Research Coordination Program will be the first program of its kind in Alberta, and can be expected to help the Institute translate its mandate to promote research coordination into concrete action.

Matching Grants Program

In its effort to increase private sector participation in agricultural research, the Institute proposed a Matching Grants Program. Under this program, the Institute would match, usually on a 50:50 basis, contributions for approved research projects.

The program would have a number of guidelines; however, the following would be especially important. To qualify for the Matching Grants Program, researchers must have already obtained support from an eligible source. Such sources include private companies, foundations, individuals, farm groups, non-Alberta provincial agencies, and designated federal agencies. Note, federal funds must be 'new' dollars, which means they must not have been diverted from an existing program or funding which was already applied to Alberta.

National Agricultural Biotechnology Initiative

The National Agricultural Biotechnology Initiative, announced in 1987, is intended to assist the private sector to undertake agricultural research, and especially to help it commercialize new biotechnology products. The federal government program is scheduled to last three years. Total cost to the federal government is estimated at $25 million. All four Western provinces are eligible to participate, but they are required to match federal funds for projects approved in their respective regions.

ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Members of the Board of the
Alberta Agricultural Research Institute

I have examined the balance sheet of the Alberta Agricultural Research Institute as at March 31, 1988 and the statement of revenue, expenditure and unexpended funds for the period July 15, 1987 to March 31, 1988. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Institute as at March 31, 1988 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

Donald D. Salmon

C.A.
Auditor General

Edmonton, Alberta
September 21, 1988

ALBERTA AGRICULTURAL RESEARCH INSTITUTE

BALANCE SHEET

AS AT MARCH 31, 1988

ASSETS

	March 31, 1988	July 15, 1987 (Note 1)
Cash	$130,355	$494,112

LIABILITIES AND UNEXPENDED FUNDS

Accounts payable (Note 3)	$ 77,949	$444,719
Unexpended funds	52,406	49,393
	$130,355	$494,112

The accompanying notes are part of these financial statements.

ALBERTA AGRICULTURAL RESEARCH INSTITUTE

STATEMENT OF REVENUE, EXPENDITURE AND UNEXPENDED FUNDS

FOR THE PERIOD JULY 15, 1987 TO MARCH 31, 1988

REVENUE

Contributions from the General Revenue Fund	$ 50,000
Contributions from industry (Note 4)	40,843
Interest	23,689
Grant from the Alberta Heritage Savings Trust Fund (Note 5)	16,003
	130,535

EXPENDITURE

Administration expenses (Note 6)	56,676
Research grants	54,843
Farming for the Future program conference costs (Note 5)	16,003
	127,522
Excess of revenue over expenditure	3,013
Transfer from Alberta Agricultural Research Trust	49,393
Unexpended funds at end of period	$ 52,406

ALBERTA AGRICULTURAL RESEARCH INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1988

Note 1 Authority

The Alberta Agricultural Research Institute operates as a provincial corporation under the authority of the Alberta Agricultural Research Institute Act, Chapter A-13.7, 1987. The Act, which came into force on July 15, 1987, repealed the Alberta Agricultural Research Trust Act. Liabilities and property of the Alberta Agricultural Research Trust existing at that date became liabilities and property of the Institute.

Note 2 Significant Accounting Policies

Research Grants

Research grants are recorded in these financial statements when approved for payment to researchers' accounts. Unexpended balances of grant funds held in researchers' accounts are not reflected in these financial statements.

Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Accounts Payable

Accounts payable consist of the following:

Grants monies refundable to the Alberta Heritage Savings Trust Fund	$23,997
Research grants	22,000
Administration expenses	17,351
Farming for the Future program conference costs	14,601
	$77,949

Note 4 Contributions from Industry

Contributions from industry represent only cash donations to the Institute for specific research projects and have been paid out by the Institute as research grants expenditure of the period.

Note 5 Grant From the Alberta Heritage Savings Trust Fund

A grant was received during the period from funds appropriated to the Farming for the Future program under the Capital Projects Division of the Alberta Heritage Savings Trust Fund. The grant was provided to finance costs of a March 1988 Farming for the Future program conference which was administered by the Institute.

Note 6 Administration Expenses

Administration expenses consist of the following:

Board members' remuneration and expenses:	
Chairman	$20,732
Other Board members	17,480
	38,212
Printing of research project reports	14,634
Miscellaneous	3,830
	$56,676

Certain salaries and other overhead costs, as well as accommodation costs incurred in the administration of the Institute, have been borne by the General Revenue Fund and are not reflected in these financial statements.

Note 7 Approval of Financial Statements

These financial statements were approved by management.

BOARD OF DIRECTORS

Chairman:

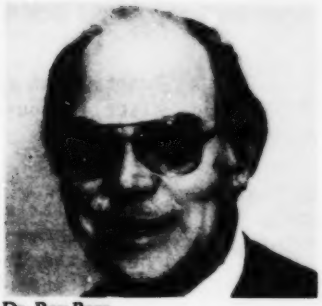
Mr. Bob Bogle
MLA
Taber-Warner

Vice-Chairman:

Mr. H.B. McEwen
Deputy Minister
Alberta Agriculture

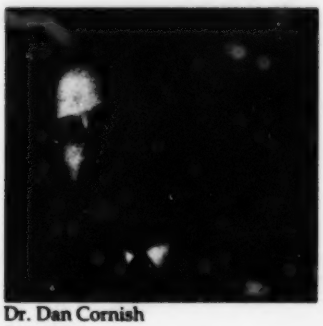
Members:

Mr. Don Althen
Producer
Del Bonita

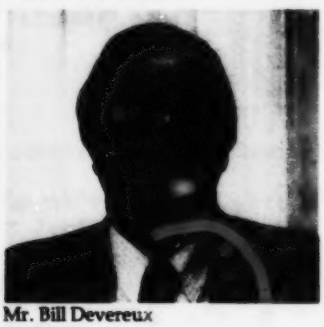


Dr. Roy Berg
Dean
Faculty of Agriculture and Forestry
University of Alberta

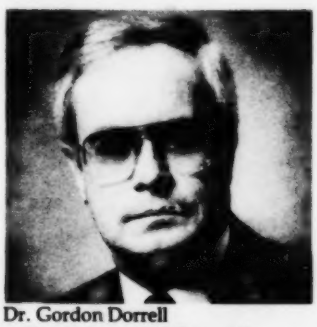
Mr. Norman Caukill
Producer
Caroline



Dr. Dan Cornish
President
Olds College

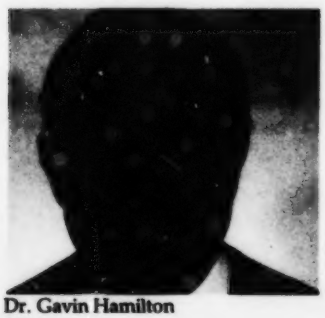


Mr. Bill Devereux
Producer
Fort Saskatchewan



Dr. Gordon Dorrell
Agriculture Canada Research Station
Lethbridge

Mr. Jim Gray
Biotechnica Canada Inc.
Calgary



Dr. Gavin Hamilton
Dean
Western College of Veterinary Medicine
Saskatoon

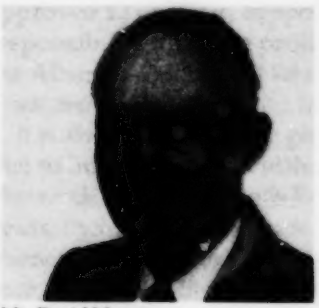
Dr. Bastiaan Heemsbergen*
Alberta Advanced Education
Edmonton

Members:

Mr. Peter Hill
Aberta Advanced Education
Edmonton

Mr. Ralph Jesperson
Unifarm
Spruce Grove

Mrs. Shirley McClellan*
Producer
New Brigden



Mr. David Munro
Producer
Innisfail

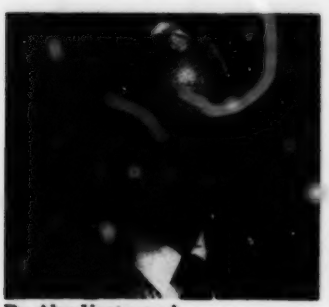
Mr. Bryan Perkins
Producer
Wainwright

Dr. David Reid
University of Calgary
Calgary

Mr. Norman Storch
Producer
Hanna

Mrs. Dolores Thornton
Producer
Calgary

Mr. Tom Towers
Producer
Red Deer



Dr. Alan Vanterpool
Assistant Deputy Minister
Alberta Technology, Research and Telecommunications

Absent

Mrs. Shirley Smith
Producer
Bonnyville

* resigned prior to March 31, 1988

CHAIRMAN'S REPORT

To Mr. Bob Bogle, MLA
Chairman
Board of Directors
Alberta Agricultural Research Institute

In accordance with the requirements of the Alberta Agricultural Research Institute Act, the Alberta Agricultural Research Trust has been terminated effective July 15, 1987.

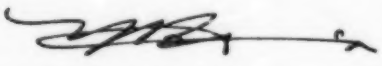
As you are aware, the Trust has served honourably and well to expand the horizons of agricultural technology and knowledge in Alberta. Over 21 years of operation, the Trust supported about 400 projects at an expenditure of more than $6 million. In the final set of project awards issued by the Board of Trustees, we approved $213,560 in support for 21 projects to be undertaken in 1987-88. The responsibility for these projects and all other AART-supported projects has fallen to the Alberta Agricultural Research Institute. As well, all assets and liabilities of the Trust are now those of the Institute.

It is always hard to say goodbye to an old friend, and the AART has been just that to hundreds of scientific agricultural researchers and technicians in Alberta. The work conducted with Research Trust support has produced advances in many fields, including animal science, food science, plant science, rural economy and soil science. Though the Trust will cease, the research it has supported will go on, I am sure, to provide the basis for many future advancements in agriculture.

On behalf of the Board of Trustees of the Alberta Agricultural Research Trust, I extend our appreciation to the scientists and to their assistants, past and present, who have worked on these important agricultural research projects. We also commend and thank all those who have served on the Board of Trustees and the Grants Committee for their efforts on behalf of agriculture in Alberta. As well, we wish to acknowledge all those organizations and businesses which have provided financial support to AART projects. Without this assistance, many projects could never have been undertaken.

Finally, the Board wishes to thank all the progressive Alberta farmers and processors who have made use of the research sponsored by the Alberta Agricultural Research Trust over these past two decades. While the Trust has ended its operations, I am confident the Alberta Agricultural Research Institute will now provide even better support and service to the agriculture and food industry of our province.

Yours very truly,



H.B. McEwen
Chairman
Board of Trustees
Alberta Agricultural Research Trust

BOARD OF TRUSTEES

Chairman: Mr. H.B. McEwen
Deputy Minister
Alberta Agriculture

Secretary: Dr. R.T. Berg
Dean
Faculty of Agriculture and Forestry
University of Alberta

Members:

Dr. Duncan Currie
Alberta Research Council
Edmonton

Dr. Ralph Christian
Executive Director
Research Division
Alberta Agriculture

Mr. Pat Dooley
Unifarm
High Prairie

Mr. Jack Iwabuchi
I & S Producer Ltd.
Edmonton

Mr. Alvin Johnstone
Central Alberta Dairy Pool
Red Deer

Mr. Lloyd E. Quantz
Alberta Institute of Agrologists
Didsbury

Mr. Ben Thorlakson
Thorlakson Feedyards Ltd.
Airdrie

Mr. Jack Riddle
Unifarm
Carstairs

Mr. Allan Smith
Agri-business
Red Deer

Dr. Fred Wolfe
Faculty of Agriculture and Forestry
University of Alberta

PROJECT AWARDS

	Researcher	Project Title	Institution	Award
AGRICULTURAL ENGINEERING	Kenneth W. Domier	Metering and Placement of Urea Super Granules	University of Alberta	$11,000
	H. Page Harrison	Design of a Bentleg Plow	University of Alberta	5,100
ANIMAL SCIENCE	F.X. Aherne	Influence of Feed Level and Body Condition Between Weaning and Mating on Sow Reproductive Performance	University of Alberta	8,000
	Bruce A. Young	"Thermodynamics in Overwintering Bee Colonies". An Interdisciplinary Research Program Involving University Departments and the Alberta Beekeepers' Association	University of Alberta	9,000
	F.X. Aherne	Improving Conception Rates and Ovulation Rates of Gilts and Sows that Have Lost Weight During Lactation	University of Alberta	11,812
	F.X. Aherne	Improving Litter Size and Baby Pig Survival by Dietary Supplementation of an Essential Fatty Acid	University of Alberta	11,050
	R.J. Christopherson	Effect of Tyrosine and Tryptophan Supplements on Growth Hormone Release in Pigs	University of Alberta	12,180
	Ronald K. Salmon	The Establishment of Casein Production Through Genetic Manipulation of a Bovine Casein Gene	University of Alberta	16,800
FOOD SCIENCE	Pavel Jelen	Ultrafiltration of Cottage Cheese Whey for New Dairy Products' Use	University of Alberta	8,252

	Researcher	Project Title	Institution	Award
	Peter Sporns	Development and Evaluation of an Immuno-absorbent Assay for Glycoalkaloids in Potatoes	University of Alberta	14,400
GENETICS	Ross B. Hodgetts	Molecular Basis of the Response to Selection for Increased Body Weight	University of Alberta	16,000
PLANT SCIENCE	Jane R. King	Fall Regrowth Potential of Some Pasture Grass Species	University of Alberta	12,521
	J.P. Tewari	Colonization of Barley in Alberta by the "Biological Fertilizers"	University of Alberta	11,000
	Peter D. Walton	New Species of Grasses for Alberta	University of Alberta	6,780
	W.H. Vanden Born	Enhancement of Herbicide Uptake with Additives	University of Alberta	10,000
	Chuji Hiruki	Establishment of Virus-Free, High Performance Alfalfa Seed Stocks	University of Alberta	10,000
RURAL ECONOMY	Luis F. Constantino	Opportunities for Woodlots in Alberta Farms	University of Alberta	3,675
	Murray Hawkins	Impact of Freer Trade with the U.S. on the Alberta Egg Industry	University of Alberta	10,150
SOIL SCIENCE	Marvin Nyborg	A Study of Fall-applied Nitrogen: Time of Soil Test for Nitrogen; Incorporation and Banding	University of Alberta	7,850
	James A. Robertson	Residual Effects of Previously Applied P Fertilizer on Tilled and Untilled Soils	University of Alberta	11,990
VETERINARY MEDICINE	Eugene D. Janzen	Investigation of a Skeletal Deformity Syndrome in the Fetuses of Beef Cows Overwintered on Silage	Western College of Veterinary Medicine	6,000

CONTRIBUTORS

The following sources contributed cash and/or supplies and services to projects funded by the Alberta Agricultural Research Trust during the period April 1, 1987 to March 31, 1988.

Alberta Beekeepers' Association
Alberta Egg and Fowl Marketing Board
Alberta Pork Producers Marketing Board
Alberta Wheat Pool
BASF Canada Ltd.
Canadian Seed Growers' Association
Canola Council of Canada
Cargill Limited
Carrier Lumber
Cominco Ltd.
The George Cringle-Palm Dairies Research Foundation
Dow Chemical Canada Ltd.
Hoffman LaRoche Limited
Imperial Oil Limited
Morris Rodweeder Co.
Norsk Hydro
Wells Fargo Bank-Wilson & Geo. Meyer Co.
Western Co-operative Fertilizers Limited

ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Members of the Board of the
Alberta Agricultural Research Institute

I have examined the balance sheet of the Alberta Agricultural Research Trust as at July 14, 1987 and the statement of revenue, expenditure and unexpended funds for the period then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Trust as at July 14, 1987 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Donald D. Salmon

C.A.
Auditor General

Edmonton, Alberta
September 2, 1988

ALBERTA AGRICULTURAL RESEARCH TRUST

BALANCE SHEET

AS AT JULY 14, 1987

	July 14, 1987	March 31, 1987
ASSETS		
Current:		
Cash	$494,112	$217,897
LIABILITIES AND UNEXPENDED FUNDS		
Current:		
Research grants payable	$421,342	$193,830
Administration charges payable	23,377	9,644
Unexpended funds	49,393	14,423
	$494,112	$217,897

The accompanying notes are part of these financial statements.

ALBERTA AGRICULTURAL RESEARCH TRUST

STATEMENT OF REVENUE, EXPENDITURE AND UNEXPENDED FUNDS

FOR THE PERIOD APRIL 1, 1987 TO JULY 14, 1987

	Period to July 14, 1987	Year to March 31, 1987
REVENUE		
Contributions from the Province of Alberta, Department of Agriculture	$200,000	$250,000
Contributions from industry (Note 3)	67,578	182,269
Interest	8,637	37,918
	276,215	470,187
EXPENDITURE		
Research grants	227,512	630,834
Administration charge	13,733	31,248
	241,245	662,082
Excess (deficiency) of revenue over expenditure	34,970	(191,895)
Unexpended funds at beginning of period	14,423	206,318
Unexpended funds at end of period	$ 49,393	$ 14,423

ALBERTA AGRICULTURAL RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS

JULY 14, 1987

Note 1 Authority

The Alberta Agricultural Research Trust operated under the authority of the Alberta Agricultural Research Trust Act, Chapter A-14, Revised Statutes of Alberta 1980, as amended. The Alberta Agricultural Research Institute Act, which came into force on July 15, 1987, repealed the Alberta Agricultural Research Trust Act. Liabilities and property of the Trust existing at that date became liabilities and property of the Alberta Agricultural Research Institute.

Note 2 Significant Accounting Policies

Research Grants

Research grants are recorded in these financial statements when approved for payment to researchers' accounts. Unexpended balances of grant funds held in researchers' accounts are not reflected in these financial statements.

Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Contributions from Industry

Contributions from industry represent only cash donations to the Trust for specific research projects and have been paid out of the Trust as research grants expenditure of the period.

Note 4 Approval of Financial Statements

These financial statements were approved by management.

APPENDIX

ALBERTA AGRICULTURAL RESEARCH INSTITUTE ACT

CHAPTER A-13.7

(Assented to June 5, 1987)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

(a) "Board" means the Board of the Institute;

(b) "donation" includes any gift, testamentary disposition, deed of trust or other form of contribution;

(c) "Institute" means the Alberta Agricultural Research Institute;

(d) "Minister" means the member of the Executive Council charged by the Lieutenant Governor in Council with the administration of this Act.

Corporation

2 There is hereby established a corporation with the name "Alberta Agricultural Research Institute" consisting of the members of the Board designated or appointed pursuant to section 5.

Purposes

3(1) The Institute may

(a) co-ordinate, conduct, participate in, promote and support research in agriculture;

(b) compile, assess and disseminate information relating to research in agriculture and information on technology related to agriculture;

(c) fund in whole or in part research professorships or chairs established for a purpose consistent with the purposes of the Institute;

(d) assist in providing research equipment and research facilities.

(2) The Institute

(a) shall, at the request of the Minister, advise the Minister on questions of scientific and technological methods affecting agriculture, and

(b) shall supervise matters related to agriculture assigned to it by the Minister.

Powers

4 In addition to its other powers as a corporation, the Institute may

(a) make grants in accordance with the by-laws;

(b) charge fees for any goods, services and materials provided by the Institute;

(c) solicit and receive donations;

(d) enter into patent agreements, royalty agreements or commercial marketing agreements that are considered by the Board to be in the best interests of the Institute.

Board

5(1) The Board of the Institute shall consist of the Dean of the Faculty of Agriculture of the University of Alberta, the Deputy Minister of Agriculture and the persons appointed by the Minister in accordance with subsection (2) to serve for the term designated in their respective appointments.

(2) Persons appointed under subsection (1) shall include

(a) 1 person employed by the University of Calgary,

(b) 1 person employed by the Western College of Veterinary Medicine, University of Saskatchewan,

(c) 1 representative from the Department of Advanced Education,

(d) 1 representative from the Department of Technology, Research and Telecommunications or from the Alberta Research Council,

(e) 1 representative from the Department of Agriculture (Canada),

(f) 1 member of the Legislative Assembly, and

(g) not fewer than 9 persons who are farmers or representatives of industries related to agriculture.

(3) The Minister shall designate 1 of the members of the Board as the chairman of the Board.

(4) The Deputy Minister of Agriculture is the vice-chairman of the Board and in the absence of the chairman has the powers and duties of the chairman.

Remuneration

6 Members of the Board,

(a) except for employees of a university or of the Government of Alberta or of Canada may be paid remuneration at the rates determined by the Minister, and

(b) except for employees of the Government of Alberta or of Canada may be paid their reasonable travelling and living expenses while away from their ordinary places of residence in the course of their duties as members of the Board at the rates determined by the Minister.

Board duties

7 The Board shall conduct the business and affairs of the Institute.

Meetings

8 The Board shall meet at the times provided for in, and in accordance with, the by-laws.

Delegation of power

9 The Board may delegate in writing any power or duty conferred on it to a committee of the Board, a Board member or an employee of the Institute, except the power to make by-laws.

By-laws

10(1) The Board may, with the approval of the Minister, make by-laws respecting

(a) the business, operation and affairs of the Institute;

(b) the signing of agreements on behalf of the Institute;

(c) subject to section 5(3) and (4), the establishment of the executive of the Board and its duties and powers;

(d) the calling of meetings of the Board and the conduct of business at those meetings;

(e) the making of grants;

(f) applications for grants;

(g) the establishment of committees to advise or assist the Board in carrying out its duties;

(h) the business, operation and meeting procedure of committees;

(i) the payment of remuneration and expenses to committee members.

(2) The *Regulations Act* does not apply to the by-laws of the Board.

Committee remuneration

11 Members of a committee established under section 10(g)

(a) except for employees of a university or of the Government of Alberta or of Canada may be paid remuneration at the rates determined by by-law, and

(b) except for employees of the Government of Alberta or of Canada may be paid reasonable travelling and living expenses incurred while away from their ordinary places of residence in the course of their duties as committee members at the rates determined by by-law.

Staff

12(1) The Institute may enter into agreements to engage the services of persons it considers necessary and may prescribe their duties and conditions of employment and pay their fees, salary, benefits, remuneration and expenses.

(2) The Institute may

(a) engage the services of persons who have special, technical or other knowledge to advise it or to inquire into and report to it on matters related to the purposes of the Institute, and

(b) pay remuneration and expenses to persons engaged pursuant to clause (a).

Discoveries

13(1) All discoveries, inventions and improvements made in processes, apparatus or machines by a person while engaged under section 12 or while engaged on a project that is funded in whole or in part by the Institute, unless the Institute otherwise directs,

(a) are vested in the Institute, and

(b) shall be made available to the public under conditions and payment of fees or royalties or otherwise as the Institute may determine.

(2) The Institute may pay bonuses or royalties that in its opinion are warranted to persons described in subsection (1) who have made valuable discoveries, inventions or improvements in processes, apparatus or machines.

Donations

14(1) Any donation acquired by the Institute is subject to any terms and conditions stipulated by the person making the donation.

(2) Notwithstanding the *Financial Administration Act*, any money received by the Institute from the sale, lease, exchange or disposition of a donation belongs to the Institute.

Investments

15 The Provincial Treasurer may, at the request of and on behalf of the Institute,

(a) invest any funds under the control of the Institute in any securities authorized under section 50 of the *Financial Administration Act*, and

(b) dispose of securities and reinvest the proceeds in securities authorized under clause (a).

Annual report

16(1) The Board shall, after the end of each fiscal year, prepare and submit to the Minister an annual report consisting of a general summary of its activities in that year and a financial report.

(2) The Minister shall lay a copy of the report described in subsection (1) before the Legislative Assembly if it is then sitting, and if it is not then sitting, within 15 days after the commencement of the next ensuing sitting.

Transitional

17 *Notwithstanding section 32(1)(a) of the Interpretation Act, the appointments of trustees under section 5 of the Alberta Agricultural Research Trust Act do not continue under this Act.*

Transitional

18 *On the coming into force of this Act any liability and any property of the Alberta Agricultural Research Trust is deemed to be the liability and the property of the Institute.*

Repeal

19 *The Alberta Agricultural Research Trust Act is repealed.*

Coming into force

20 *This Act comes into force on Proclamation.*

For further information, contact:

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